

**CITY OF LONG LAKE**  
450 Virginia Avenue, PO Box 606  
Long Lake, MN 55356  
Phone / 952.473.6961



June 23, 2022

Orono City Council  
City of Orono  
2750 Kelley Parkway  
Orono, MN 55356  
[VIA US MAIL AND EMAIL]

**RE: Long Lake Fire Department**

Members of the Orono City Council,

At our council meeting on June 21, 2022, the Long Lake City Council formally approved a proposed purchase agreement for the purchase of Orono's interest in the LLFD Station 1 property by unanimous vote. This formal approval action for the proposed agreement was requested of Long Lake by Orono's nominated fire department liaison, Mayor Walsh, via an email to me on June 14, 2022.

The approved agreement is attached. As Mayor Walsh has indicated his desire to seek a swift closing and to target August 1, 2022, for the same, we have included that intent in the proposed agreement.

Please have the appropriate staff and council members review the proposed purchase agreement so that the same can be finalized and executed, and the cities may engage a title company to begin the title commitment process in order to reasonably comply with Orono's desired closing timeline.

Sincerely,

A handwritten signature in black ink that reads "Charlie Miner". The signature is written in a cursive, flowing style.

Charlie Miner, Mayor

## **PURCHASE AGREEMENT**

This Purchase Agreement ("**Agreement**") is made and entered into by and between the City of Long Lake, a Minnesota municipal corporation ("**Purchaser**"), and the City of Orono, a Minnesota municipal corporation ("**Seller**"), Purchaser and Seller are sometimes referred to collectively hereinafter as the "**Parties**" and individually as a "**Party**." This Agreement shall be effective as of the date of execution by the last Party to execute this Agreement.

In consideration of the mutual terms, covenants, conditions and agreements hereinafter contained, the Parties hereby agree as follows:

1. Sale and Description of Property. Pursuant to the terms of a 2001 Contract for Joint Ownership between Buyer and Seller, each Party owns a one-half interest in the real property and improvements thereon described as

Long Lake Fire Department Station 1  
340 Willow Drive N.  
Orono, MN 55356

PID: 34-118-23-32-0050

(the "**Property**")

2. Purchase Price and Manner of Payment. The purchase price ("**Purchase Price**") to be paid by Purchaser to Seller for Seller's interest in the Property shall be eight hundred and fifty thousand dollars and no cents (\$850,000.00) and shall be paid as follows:

- a) Eight hundred and fifty thousand dollars and no cents (\$850,000.00), will be paid in cash, certified funds or wire transfer on the Date of Closing (as hereinafter defined).

3. Evidence of Title. Within thirty (30) days after the date of full execution of this Agreement, Seller shall cause to be delivered to Purchaser a commitment for a current ALTA Form B Owner's Policy of Title Insurance with respect to the Property from Title. Such commitment shall agree to insure marketable fee title in Purchaser free and clear of any and all liens, encumbrances, conditions, easements, assessments, restrictions and other conditions except the items set forth

on **Exhibit A** hereto, which are referred to herein as the “**Permitted Encumbrances**.” Within fifteen (15) days after the date of receipt of such commitment, Purchaser shall make objections to the form or content thereof, such objections to be made in writing or deemed waived. If Purchaser makes such written objections to title, Seller shall be allowed sixty (60) days to cure such objections. Pending correction of title, Closing and the payments hereunder required shall be postponed, but upon correction of title and within ten (10) days after notice, the Parties shall perform this executed Agreement according to its terms. If, after Purchaser notifies Seller of any title objections, other matters arise which were not reasonably discoverable at the time of disclosure and which constitute objections to title, Purchaser shall be afforded a reasonable opportunity to examine such matters and make further written objections. In the event of such additional objections, Seller’s period to cure shall be sixty (60) days from that disclosure.

If said commitment is not acceptable and is not so made within sixty (60) days from the date of written objection thereto as provided above, Purchaser shall have the option of:

- (a) Declaring this Agreement null and void; or
- (b) Waiving any defect in title and proceeding to close the transaction contemplated hereby.

In the event the commitment is properly designated as not acceptable and the same is not made so within sixty (60) days from the date of written objection thereto, Purchaser’s failure to designate one of the above options shall result in this Agreement being declared null and void.

On the Date of Closing, the Parties shall deliver those documents required of them and necessary to allow the issuance of the Owner’s Policy of Title Insurance in accordance with the commitment as corrected.

4. Purchaser’s Contingencies. Purchaser’s obligation to close the transaction contemplated hereby is and shall be contingent upon each of the following:

- (a) All of Seller’s representations and warranties being true and correct as of the date of Closing.
- (b) Purchaser having determined, within sixty (60) days after the date of this executed Agreement and prior to Closing, that it is satisfied with the results of its due diligence investigation of the Property. In connection therewith, Seller and Purchaser agree that Purchaser’s engineers, architects, surveyors, consultants and employees, shall have access to the Property without charge and at all reasonable times for the purpose of Purchaser’s inspection and testing, at the sole cost of Purchaser. Such access shall not unreasonably disturb operation of the Fire Station. Neither Party shall allow any mechanic’s liens to be filed against all or any portion of the Property. Seller shall promptly, and no later than ten (10) days after the date of this executed Agreement, provide to Purchaser copies, if any, of all plans, surveys, environmental reports, original construction reports, warranties, leases,

vendor contracts, and service agreements pertaining to the Property which are in Seller's possession or the possession of Seller's agents and representatives.

- (c) Purchaser obtaining from Seller, within sixty (60) days after the date of this executed Agreement and prior to Closing, an executed agreement in recordable form, and in a form acceptable to Purchaser which prohibits Seller from initiating any condemnation action on the Property or altering the existing zoning designation of the Property during the term of Purchaser's ownership, and agreeing to re-zone the Property to an appropriate non-public use designation as presumed within the appraisal of the Property obtained by Seller and performed by Nagell Appraisal, dated December 10, 2021, upon Purchaser's transfer of ownership to a third party.
- (d) If any of the foregoing contingencies has not been satisfied or waived by Purchaser by the applicable dates stated above, then this executed Agreement may be terminated, at Purchaser's option, by written notice from Purchaser to Seller. Such notice of termination may be given at any time on or before the applicable dates stated above. Upon such termination, neither Party shall have any further rights nor obligations with respect to this Agreement except those this executed Agreement expressly states survive cancellation or termination of this executed Agreement. Should Purchaser fail to give notice of termination on or before the applicable dates stated above with respect to any of the foregoing contingencies, the contingency in question shall be conclusively deemed to have been waived by Purchaser. Purchaser shall have the right to waive unilaterally any Purchaser Contingency and proceed to close.

5. Seller's Contingencies. In addition to the other requirements set forth in this Agreement, Seller's obligation to close the transaction contemplated herein is and shall be contingent upon the satisfaction or waiver by Seller of each of the following:

- (a) Purchaser's agreement to continue to utilize the Property to operate the Long Lake Fire Department until such time as the present Fire Service Contract between the Parties expires or is terminated by mutual agreement of the Parties.

6. Representations and Warranties by Seller. Seller represents and warrants to Purchaser the following:

- (a) Seller has all requisite power and authority to execute this Agreement and the closing documents referred to herein to be executed by Seller;
- (b) Seller has received no notice of any action, litigation, or other legal proceeding pending against the Seller which materially affects the Property or any part thereof, and, to the best of Seller's knowledge, no action, litigation, or other legal proceeding is pending or threatened against the Property, or any part thereof;

- (c) Seller has not entered into any extraordinary commitments or agreements with any governmental agency or public or private utility affecting the Property which have not been disclosed in writing by Seller to Purchaser;
- (d) Seller is not a "foreign person," "foreign partnership," "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code;
- (e) To the best of Seller's knowledge, there are no underground wells located on or under the Property.

7. Closing. The Parties agree to proceed with diligence to close this transaction as soon as possible and endeavor to close by August 1, 2022. The date on which the closing of the transaction herein described shall occur (the "**Date of Closing**" or "**Closing**") shall be on or before the date that is thirty (30) days after the date of satisfaction or waiver of all Purchaser Contingencies and Seller Contingencies contained within this Agreement, at a time and place to be agreed upon by the Parties, but in no event later than October 7, 2022. On the Date of Closing, Seller shall execute and deliver to Purchaser, or cause to be executed and delivered to Purchaser, the following:

- (a) A Limited Warranty Deed conveying Seller's interest in the Property to Purchaser (the "**Deed**")
- (b) An affidavit indicating that on the Date of Closing there are no outstanding, unsatisfied judgments, tax liens or bankruptcies against or involving Seller related to the Property;
- (b) A FIRTPA Certificate duly executed by Seller confirming that Seller is not a "foreign entity;"
- (c) All other documents reasonably required by the Title Company.

On the Date of Closing, subject to the performance of Seller, Purchaser shall pay to Seller the monetary payment required by Section 2 above. On the date of Closing, Seller shall deliver possession of the Property to Purchaser.

8. Real Estate Taxes and Special Assessments. The Parties mutually agree that no real estate taxes or installments of special assessments are or will be due and payable therewith on the Property through the date of Closing. Any such costs shall be allocated per the Fire Services Agreement between the parties, during the term of the same. As of the date of this Agreement Seller represents that Seller has not issued or received a Notice of Hearing of a new public improvement project from any governmental assessing authority, the costs of which project may be assessed against the Property.

9. Costs and Prorations. Seller and Purchaser agree to the following prorations and allocation of costs in connection with this Agreement and the transaction contemplated hereby:

- (a) Seller shall pay the costs of delivering the evidence of title required to be provided by Seller to Purchaser pursuant to Section 3 hereof. Purchaser shall pay the premium for issuing any policy of title insurance. Seller and Purchaser shall each pay one-half of the closing or escrow fee of Title;
- (b) Seller shall pay all state or local transfer or deed tax in connection with the Deed to be delivered hereunder. Purchaser shall pay recording charges in connection with recording the documents to be delivered hereunder;
- (c) Utility charges shall continue to be paid out the Long Lake Fire Department operating fund. Each Party shall be responsible for their respective contribution obligations pursuant to the Fire Services Contract, during the term of the same;
- (d) Each of the Parties shall pay all of their respective attorneys' fees in connection with the negotiation, preparation and closing of this Agreement; provided, however, that in the event of default hereunder, the defaulting Party shall pay all reasonable attorneys' fees and costs incurred by the non-defaulting Party in connection with the enforcement of the rights and remedies of the non-defaulting Party hereunder.

10. Damage, Destruction and Eminent Domain. (a) If, prior to Closing, the Property shall be substantially damaged or destroyed by any cause, Purchaser shall have the right, by giving notice to Seller within thirty (30) days following the occurrence of such damage or destruction and prior to Closing, to terminate this Agreement, in which case this Agreement shall become null and void. If Purchaser elects to proceed and to consummate the purchase contemplated hereby, despite such damage or destruction, there shall be no reduction in or abatement of the Purchase Price, and Seller shall assign to Purchaser all of Seller's right, title and interest in and to all insurance proceeds resulting, or to result, from said damage or destruction.

(b) If, prior to Closing, the Property or any part thereof shall be taken by, or is under threat of taking by, eminent domain, Purchaser shall have the right, within thirty (30) days of receipt by Purchaser of Seller's notice to Purchaser of such eminent domain proceeding or threat thereof and prior to Closing, to terminate this Agreement, in which case this Agreement shall become null and void. If Purchaser elects to proceed and to consummate the purchase contemplated hereby despite said taking, there shall be no reduction in or abatement of the Purchase Price, and Seller shall assign to Purchaser all Seller's right, title and interest in and to any award made, or to be made, in the eminent domain proceedings, and Purchaser shall have the option of representing the interests of the landowner in said proceedings.

11. No Environmental Representations. Seller shall disclose to Purchaser copies of all environmental testing reports related to the Property which are in Seller's possession. Beyond any information contained within the same, Seller has no additional actual knowledge of adverse environmental conditions on the Property. Subject to the foregoing, Seller makes no representations or warranties as to whether the Property contains asbestos, radon or any hazardous materials or harmful or toxic substances, or pertaining to the extent, location or nature of same, if any. Further, to the extent that Seller has provided to Purchaser information from any inspection, engineering or environmental reports concerning asbestos, radon or any hazardous materials or

harmful or toxic substances, including without limitation the reports identified in this Agreement, or has advised Purchaser of any other existing reports, the Seller makes no representations or warranties with respect to the accuracy or completeness, methodology of preparation or otherwise concerning the contents of such reports. Subject to the express provisions hereof, Purchaser acknowledges and agrees that Seller makes no representation or warranty as to, and Purchaser, for itself, its successors and assigns, hereby waives and releases Seller from any present or future claims, at law or in equity, arising from or relating to, the Property, including without limitation the presence or alleged presence of asbestos, radon or any hazardous materials or harmful or toxic substances in, on, under or about the Property.

12. Broker's Commission. Purchaser and Seller each represent and warrant to the other that they have not incurred any liability or obligation for brokerage or finder's fees or commissions or other like payments in connection with this Agreement or the transaction contemplated hereby. Purchaser and Seller shall each indemnify, hold harmless and defend the other from and against any and all damage or harm (including reasonable attorneys' fees and costs), or claim therefor, arising out of or resulting from any breach of the foregoing representation and warranty by the indemnifying Party. If either Party incurs any such liability or obligation the Party incurring such liability or obligation shall be exclusively responsible for the same.

13. Assignment. Purchaser may not assign its interest in this Agreement without the prior written consent of Seller.

14. Survival. All of the terms, covenants, conditions, representations, warranties and agreements contained in this Agreement shall survive Closing and shall continue in full force and effect and be enforceable for two (2) years after the Closing.

15. Notice. Any notice required or permitted to be given by any Party hereto upon any other shall be deemed given when: (a) personally delivered to or served upon the other Party, or (b) deposited in the U.S. certified mail, postage prepaid, return receipt requested, properly addressed as set forth below, or (c) sent by reputable overnight courier, properly addressed as set forth below:

If to Purchaser:                      City of Long Lake  
   450 Virginia Avenue  
   P.O. Box 606  
   Long Lake, MN 55356

With a copy to:                      John J. Thames  
   Carson, Clelland & Schreder, PLLP  
   6300 Shingle Creek Parkway  
   Suite 305  
   Minneapolis, MN 55430

If to Seller:                              City of Orono  
   2750 Kelley Parkway  
   P.O. Box 66

Crystal Bay, MN 55323

With a copy to:

Soren M. Mattick  
Campbell Knutson, PA  
860 Blue Gentian Road  
Suite 290  
Eagan, MN 55121

Seller or Purchaser may change its address for the service of notice hereunder by providing ten (10) days prior written notice of said change to the other Party, in the manner above specified.

16. Captions. The Section headings or captions appearing in this Agreement are for convenience only, are not a part of this Agreement and are not to be considered in interpreting this Agreement.

17. Entire Agreement; Modification. This Agreement, and the other documents contemplated herein, constitutes the entire and complete agreement between the Parties in connection with Purchaser's purchase of Seller's interest in the Property and supersedes any prior oral or written agreements between the Parties or related parties with respect to the Property or any part thereof. There are no verbal understandings or agreements which in any way change the terms, covenants and conditions herein set forth, and no modification of this Agreement and no waiver of any of its terms and conditions shall be effective, except as specifically set forth herein, unless in writing and duly executed by the Parties.

18. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the Parties and their respective heirs, legatees, successors and permitted assigns. When used herein, the singular shall include the plural, the plural shall include the singular, and the use of one gender shall include all other genders, as and when the context so requires.

19. Controlling Law. This Agreement has been made and entered into under the laws of the State of Minnesota, and said laws shall control the interpretation hereof.

20. Remedies. If Purchaser shall default in its obligations hereunder, the remedies available to Seller shall be to terminate this Agreement, and neither Party shall have any further rights or obligations hereunder. The foregoing shall not limit any right of Purchaser to waive any unsatisfied contingency and to seek and obtain specific performance of this Agreement. If Seller shall default in Seller's obligations hereunder, the only remedies available to Purchaser shall be (i) to terminate this Agreement by notice to Seller, in which event neither Party shall have any further rights or obligations hereunder, or (ii) to seek specific performance of this Agreement.

21. Severability. If any provision of this Agreement, or any application thereof, shall be invalid or unenforceable, the remainder of this Agreement and any other application of such provision shall not be affected thereby and shall not be rendered invalid or unenforceable.

22. Time of Essence. Time is of the essence in this Agreement.



23. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which will be deemed an original. Original signatures captured electronically shall be deemed equivalent to wet ink signatures.

24. Recording. The Parties agree that, in the event either Party desires to record this document with the Hennepin County Recorder's Office, both Parties will cooperate in making any necessary amendments hereto to facilitate recording of the same. This obligation shall include, but is not limited to, re-execution of the Agreement, as necessary.

25. Title Representation. The undersigned signatories certify that each are the designated representatives of the respective Parties to this Agreement and each is empowered with the unencumbered authority to bind their respective entities to all terms contained herein.

[SIGNATURES ON PAGES TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the day and year indicated.

**PURCHASER:**

CITY OF LONG LAKE

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its Mayor

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its Administrator

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2022, by Charlie Miner, the Mayor, and by Scott Weske, the City Administrator, of the City of Long Lake, a Minnesota municipal corporation, on behalf of said municipal corporation.

\_\_\_\_\_  
Notary Public

**SELLER:**

CITY OF ORONO

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its Mayor

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Its Administrator

STATE OF MINNESOTA    )  
                                  ) ss.  
COUNTY OF HENNEPIN    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2022, by Dennis Walsh, the Mayor, and by Adam Edwards, the City Administrator, of the City of Orono, a Minnesota municipal corporation, on behalf of said municipal corporation.

\_\_\_\_\_  
Notary Public

**THIS INSTRUMENT WAS DRAFTED BY:**

John J. Thames, Esq.  
Carson, Clelland & Schreder  
6300 Shingle Creek Pkwy, Suite 305  
Minneapolis, MN 55430  
(763) 561-2800

## **EXHIBIT A**

### **PERMITTED ENCUMBRANCES**

1. Reservations of minerals or mineral rights by the State of Minnesota, if any;
2. Existing rights of utilities, if any;
3. Such other matters indicated by the title insurance commitment described in Section 3 of this Agreement to which Purchaser either does not object, or, if objected to, are not cured and are subsequently waived by Purchaser, as provided in Section 3 of this Agreement.